

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF PENNSYLVANIA**

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**In re  
JONATHAN D LANE**

**CASE NO. 24-12171-AMC  
CHAPTER 7**

**Debtor**

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**JONATHAN D LANE  
Plaintiff**

**vs.**

**US DEPARTMENT OF EDUCATION  
Defendant**

**ADV. PRO. CASE NO:**

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**Debtor's Complaint to Determine Federal Student Loans Discharged  
For "Undue Hardship" under 11 U.S.C. § 523(a)(8)**

**Nature of Action**

1. This is an adversary proceeding by which the Debtor seeks a declaration that federal student loans constitute an undue hardship for the Debtor and should be discharged pursuant to section 523(a)(8) of the Bankruptcy Code.

**Jurisdiction and Venue**

2. On June 24, 2024, the Debtor filed a voluntary petition in the United States Bankruptcy Court for the Eastern District of Pennsylvania for relief under 11 U.S.C. § 727, Chapter 7 of the Bankruptcy code.
3. The Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 1334 and 157(a).
4. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
5. Venue is proper in this district pursuant to 28 U.S.C § 1409.

**Parties**

6. Plaintiff, Jonathan D Lane, is the Debtor in the above captioned case. He is the recipient of federal student loans and is a resident of Malvern, Pennsylvania.
7. Defendant, U.S. Department of Education (ED), is a federal government agency that oversees and originates federal student loans. It is the originator and holder of the loans at issue.

### **Factual Allegations**

8. ED holds one consolidation loan made up of five Parent PLUS loans, with an estimated balance of \$69,004, of which \$63,619 is principal and \$5,385 is interest.
9. These loans were taken out between 2010 and 2018.
10. The minimum payment under a standard plan is over \$465 a month with a 30-year term for a total payout of over \$167,000.
11. Even with the only IDR accessible plan, ICR, the payment would exceed \$590 a month with forgiveness in 25 years.
12. Lane is 72 years old.
13. Forgiveness in 25 years would make him 97 years old.
14. The idea of Lane making a payment of over \$590 (ICR) or \$465 (standard) for the next 25 to 30 years is untenable.
15. Lane's income is hovering around \$40,000, though his business is slowly dying, having taken a loss for the past few years.
16. He is separated from his spouse and cannot rely on her for income or support.
17. Although Lane has consolidated his loans, access to ICR has not helped because he cannot afford the minimum payment of \$590.
18. He has taken a few forbearances in the hopes that income would make ICR affordable.
19. In short, regardless of what Lane does with this loan, there is no available payment plan that he can afford that would keep him from default.
20. Should he default, the government can take 15% of his social security, which would only make things worse for him.
21. To date, these loans have never been in default.
22. While Lane is self-employed, he will never earn enough to afford the minimum payments on any plan.
23. Further, based on his age, the potential for his income to grow is extremely limited and is only going to decrease once he retires and his business closes.
24. Lane filed bankruptcy to free himself of financial burden to enable him to maintain a basic sense of living.
25. Lane has maximized his income while reducing his expenses as best possible.

**Claim for Relief: Undue Hardship Discharge**

26. The Debtor repeats and realleges the allegations contained in paragraphs 1 through 25 of this Complaint as if fully set forth herein.
27. The repayment of federal student loans made to Lane would be an undue hardship to him.
28. As a result, his federal student loan obligation should be discharged pursuant to Bankruptcy code section 523(a)(8).

WHEREFORE, the Debtor requests a judgment determining that his federal student loans are discharged pursuant to Bankruptcy Code section 523(a)(8).

Dated July 29, 2024

Respectfully Submitted,

JONATHAN D LANE

By his attorney,

/s/Joshua Cohen

Joshua R.I. Cohen (pro hac vice)

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